

CANADA-ONTARIO Crop Insurance

THE
CROP INSURANCE COMMISSION
OF ONTARIO

SIXTEENTH ANNUAL REPORT

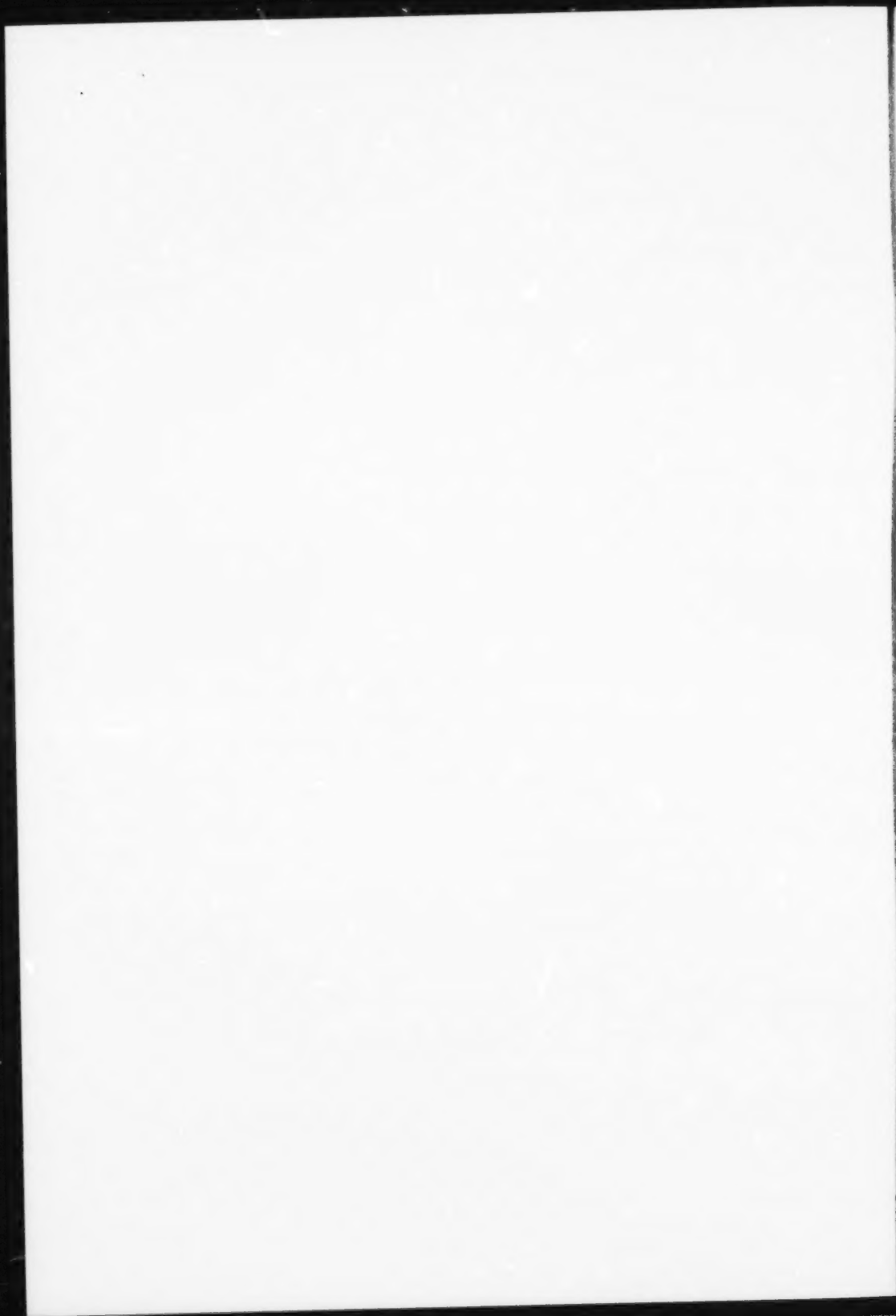
(Sixteenth Report Made at 31/1/82)



Agriculture
Canada



Ontario Ministry of
Agriculture and Food



Toronto, Ontario
Sept. 16, 1982

To The Honourable Dennis R. Timbrell, Minister
Ministry of Agriculture and Food,
Province of Ontario.

Sir:

I have the honour to submit herewith the annual report of
The Crop Insurance Commission of Ontario for the period
April 1, 1981 to March 31, 1982 including the financial state-
ments for The Ontario Crop Insurance Fund and the report of
the Provincial Auditor.

Respectfully submitted,

M. Huff
*The Crop Insurance Commission
of Ontario*



Sixteenth Annual Report
of
The Crop Insurance Commission of Ontario
For Fiscal Year Ended March 31, 1982

COMMISSION MEMBERS

HENRY EDIGER – Chairman
HECTOR DELANGHE – Member
JOHN EPPEL – Member
ROBERT HAWLEY – Member
EDWARD MAILLOUX – Member

OFFICERS

HENRY EDIGER
General Manager
WM. K. REGAN
Assistant General Manager
M.J. TAGGART
Assistant General Manager/Accounting
W.A.R. ATKINSON
Secretary

RESPONSIBILITIES

- Administration of the Canada-Ontario Crop Insurance Program.
- Administration of crop insurance plans, established by regulations, including the functions of selling, underwriting, claims adjustment, and accounting.
- Conducting surveys and research programs relating to crop insurance, to obtain statistics for Commission purposes.

The Commission's claims to premium ratio in 1981 was the second best in its history. Cold conditions during the previous winter resulted in above-normal winter-kill of fruit trees, particularly in Eastern Ontario. Cool temperatures also reduced the fruit set and yields.

Excessive rainfall early in the growing season in Southwestern Ontario created floods and soil crusting. A large acreage of soybeans had to be reseeded. Heavy rainfall at harvest in Essex and Kent Counties reduced yields of tomatoes, cucumbers, green and wax beans, seed corn and popping corn. The Coloured Bean acreage increased and growing conditions were good but harvest rains reduced yields. The White Bean crop in Perth, Huron and Middlesex Counties was lowered in quality and quantity by a wet fall.

Eastern Ontario crops were good with the exception of late-planted Spring Grain. A number of claims in the Cochrane area resulted from drought,

FEDERAL-PROVINCIAL FINANCING

To provide Ontario producers with the best crop insurance program at lowest cost, the Governments of Canada and Ontario provide the following financial support.

The Government of Canada provides financial assistance to the Canada-Ontario Crop Insurance Program by contributing 50% of the total premium required each year. The federal government's contribution to this program totaled \$15,659,510 for 1981/1982.

The Government of Ontario contributes all of the administration costs which totaled \$2,489,015 for 1981/1982.

THE CROP INSURANCE COMMISSION OF ONTARIO

(Incorporated without share capital under
The Crop Insurance Act (Ontario))

BALANCE SHEET as at March 31, 1982

ASSETS

	1982	1981
	\$	\$
Cash	316,542	—
Accounts and premium subsidy receivable	335,277	1,253,774
	<u>651,819</u>	<u>1,253,774</u>

LIABILITIES

Bank overdraft	—	7,888
Provision for payment of unsettled indemnities (note 1b) ...	874,798	6,235,899
Premiums collected in advance (note 1c)	1,163,190	628,768
Unearned premiums (note 1d)	1,232,929	1,091,245
Advances from the Treasurer of Ontario (note 3)	31,391,331	36,407,486
Advances from the Ministry of Agriculture and Food	5,000	5,000
	<u>34,667,248</u>	<u>44,376,286</u>
Less deficit	34,015,429	43,122,512
	<u>651,819</u>	<u>1,253,774</u>

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

AUDITOR'S REPORT

I have examined the balance sheet of The Crop Insurance Commission of Ontario as at March 31, 1982 and the statements of revenue and expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1982 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

In accordance with section 12 of the Crop Insurance Act (Ontario), a report on the audit has been made to the Commission and to the Minister.

D.F. ARCHER, F.C.A.
Provincial Auditor

Toronto, Ontario,
July 9, 1982.

THE CROP INSURANCE COMMISSION OF ONTARIO

STATEMENT OF REVENUE AND EXPENDITURE for the year ended March 31, 1982

	1982	1981
	\$	\$
REVENUE		
Crop Insurance Premiums:		
Premiums from insured persons	15,659,510	13,536,956
Premium subsidies from the		
Government of Canada	15,659,510	13,536,956
	31,319,020	27,073,912
Administrative expenses paid by the		
Province of Ontario (note 2)	2,489,015	2,175,144
Interest income	163,852	77,112
	<u>33,971,887</u>	<u>29,326,168</u>
EXPENDITURE		
Indemnities (7,010 claims; 1981 - 6,364 claims)	18,495,565	16,377,278
Administrative expense (Schedule)	2,489,015	2,175,144
Interest on advances from the		
Treasurer of Ontario (note 3)	3,825,450	4,617,471
Unrecovered claim overpayments	12,892	—
	<u>24,822,922</u>	<u>23,169,893</u>
Excess of revenue over expenditure	<u>9,148,965</u>	<u>6,156,275</u>

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

STATEMENT OF DEFICIT for the year ended March 31, 1982

	1982	1981
	\$	\$
Balance, beginning of year	43,122,512	49,331,416
Less:		
Adjustments to prior year's indemnity provision (note 1b)	(41,882)	52,629
Excess of revenue over expenditure	9,148,965	6,156,275
	9,107,083	6,208,904
Balance, end of year	34,015,429	43,122,512

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

SCHEDULE OF ADMINISTRATIVE EXPENSES
for the year ended March 31, 1982

	1982	1981
	\$	\$
Salaries	876,829	751,627
Commissions and fees – agents	799,857	762,484
Fees and expenses – adjusters	390,686	266,260
Data processing	169,538	160,834
Printing and stationery	90,212	82,328
Automobile expenses	47,394	13,544
Travelling expenses	26,259	38,725
Advertising and publicity	24,267	44,132
Meetings and staff training	21,809	3,676
Telephone, telegrams and postage	15,769	19,867
Miscellaneous supplies and services	12,231	9,552
Members' allowances and expenses	6,137	6,831
Equipment and furniture purchases (<i>note 1e</i>)	3,390	6,278
Fees and expenses – arbitration board	3,080	7,727
Professional services	1,557	1,279
	<u>2,489,015</u>	<u>2,175,144</u>

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

March 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Commission uses the accrual basis of accounting except for administrative expenses which is on the cash basis although an additional thirty days is allowed to pay for goods and services pertaining to the fiscal year just ended.

(b) Provision for payment of unsettled indemnities

At the end of a fiscal year, the Commission estimates outstanding indemnities. In the subsequent year, any differences between the estimated and the actual indemnities is reflected in the statement of deficit and not in the statement of revenue and expenditure as the Commission feels the difference should not be reflected in the current year's operating results.

(c) Premiums collected in advance

Premiums collected in advance represent premiums received for the insurance of various crops where the deadline for applying for insurance coverage occurs after March 31, 1982. This insurance may be cancelled by the insured prior to the deadline date and premiums refunded.

(d) Unearned premiums

Unearned premiums represent premiums received for the winter wheat crop. The deadline for applying for insurance coverage occurred prior to March 31, 1982 and accordingly, the insurance coverage was in force at March 31, 1982 and the premiums cannot be refunded.

(e) Fixed assets

The costs of automobile, equipment and furniture purchases are expensed in the year of acquisition.

2. ADMINISTRATION

(a) Administrative expenses

Administrative expenses are paid out of moneys appropriated therefor by the Legislature of the Province of Ontario. The Commission has absorbed certain administrative expenses of the Farm Income Stabilization Commission of Ontario.

(b) Accommodation

Office space is provided by the Ministry of Agriculture and Food without charge.

3. ADVANCES FROM THE TREASURER OF ONTARIO

The Commission borrows funds from the Treasurer of Ontario to finance the deficit. This loan has a fixed interest rate of 11.725 per cent to October 31, 1984. There is no set repayment schedule.

4. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with the 1982 presentation.

SUMMARY OF SALES AND CLAIMS EXPERIENCE BY CROP

(as at March 31, 1982)

Crops	Contracts At Risk	Acreage Insured	Amount of Insurance \$	Total Premium \$	No. of Claims	Claim Amount \$	Loss or Gain \$	Losses to Contracts %	Ratio of Claims to Premium %
Winter Wheat	2963	114,689.9	14,460,172.92	1,090,271.28	588	422,361.86	667,909.42	20	39
Spring Grain	4263	192,505.2	10,658,285.04	7,622,401.34	1725	1,467,497.05	154,904.29	40	90
Corn	6409	619,775.3	96,638,661.24	7,232,294.26	1268	2,820,546.60	4,411,747.68	20	39
Soybeans	2830	216,192.9	30,414,550.40	1,901,418.50	770	2,923,065.24	-1,021,646.74	27	154
White Beans	1561	81,762.5	11,502,670.19	1,222,263.94	537	1,178,687.12	43,576.82	34	96
Late Potatoes	29	1,428.5	850,159.16	100,576.00	8	20,880.00	79,696.00	28	21
Hay & Pasture	1525	200,618.0	13,824,641.00	730,819.52	53	150,980.50	579,839.02	3	21
Col. Beans	395	21,859.0	3,354,422.41	451,707.20	180	589,937.21	-138,230.01	46	131
New Seeding	2059	48,550.7	1,523,732.00	203,759.88	209	123,037.10	80,722.78	10	60
Peppers	61	601.6	346,536.03	53,510.70	30	54,765.81	1,255.11	49	102
Rutabagas	19	1,801.0	986,552.00	90,400.00	14	123,590.00	-33,190.00	74	137
Tomatoes	956	24,487.3	24,442,049.75	1,501,453.70	485	2,124,249.12	-622,795.42	51	141
Green Peas	428	14,370.5	4,430,953.41	362,532.50	98	374,106.82	-11,574.32	23	103
Sweet Corn	446	21,851.9	5,834,221.71	473,834.96	91	430,547.07	43,287.89	20	91
Seed Corn	427	27,963.1	13,614,074.48	930,347.60	86	428,787.84	501,559.76	20	46
Gr. & Wax Beans	86	2,633.1	951,181.68	108,879.60	55	285,308.83	-176,429.23	64	262
Lima Beans	31	828.5	348,322.88	41,427.50	23	101,548.36	-60,120.86	74	245
Popping Corn	44	3,611.2	1,634,446.80	68,613.00	16	252,217.04	-183,604.04	36	368
Apples	338	9,413.3	9,454,140.40	1,055,165.58	193	1,696,548.07	-641,382.49	57	161
Grapes	194	8,365.7	6,053,804.53	372,666.92	62	464,684.76	-92,017.84	32	125
Peaches	46	1,090.4	1,051,261.95	97,350.38	31	535,407.41	-438,057.03	67	550
Pears	104	810.5	434,305.90	49,933.34	34	50,208.12	-274.78	33	101
Sweet Cherries	56	301.6	135,121.30	34,976.82	49	106,365.62	-71,388.80	88	304
Sour Cherries	85	813.0	733,303.60	99,294.34	78	556,258.76	-456,964.42	92	560
Plums	42	198.0	105,974.63	17,850.54	28	33,471.57	-15,621.03	67	188
F. C. Tobacco	2762	147,626.2	194,908,984.24	11,023,798.42	198	659,449.54	10,364,348.88	7	6
Burley Tobacco	166	685.7	942,249.70	60,216.62	25	90,553.50	-30,336.88	15	150
Black Tobacco	40	258.1	265,419.15	22,678.70	8	23,675.50	-2,986.80	20	113
Seed Onions	48	1,139.0	1,254,931.89	91,280.00	9	59,611.50	31,668.50	19	65
Set Onions	16	214.6	167,901.30	17,400.00	4	11,898.50	5,501.50	25	68
Spanish Onions	9	189.4	344,799.00	25,706.00	5	125,677.00	-99,971.00	56	489
Red Beets	7	221.0	84,078.00	11,698.12	2	5,398.00	6,300.12	29	46
Cauliflower	12	141.6	97,720.00	13,680.80	8	44,659.00	-30,978.20	67	326
Early Potatoes	5	206.0	101,360.00	14,190.40	1	5,760.00	8,430.40	20	41
Sweet Corn Frn	11	99.0	25,480.00	3,767.20	2	3,100.00	667.20	18	82
Tomatoes Fresh	9	66.5	57,867.90	8,103.86	3	3,434.56	4,669.30	33	42
Cucumbers	69	583.8	234,904.40	33,108.60	21	37,700.90	-4,592.30	30	114
Proc Carrots	3	89.0	49,840.00	6,977.60	0	0.00	6,977.60	0	0
Marsh Carrots	20	561.0	434,140.00	61,079.60	8	98,625.00	-37,545.40	40	161
Cabbage	14	95.2	39,585.00	5,542.84	4	3,330.21	2,212.63	29	60
Pumpkin & Squash	7	35.0	7,647.50	1,069.70	0	0.00	1,069.70	0	0
Strawberries	4	51.1	22,965.95	4,951.70	1	5,633.33	-681.63	25	114
PROVINCE TOTAL	28599	1,768,786.8	453,023,439.44	31,319,019.58	7010	18,495,564.42	12,823,455.16	25	59
1982/83 PRODUCTION RESULTS	3073	117,835.4	17,953,033.87	1,231,225.14					
Winter Wheat									

GROWTH OF THE CANADA-ONTARIO CROP INSURANCE PROGRAM (as at March 31, 1982)

	75/76	76/77	77/78	78/79	79/80	80/81	81/82	Total Subsidized Premium \$	Total Claims Paid \$	Gain or Loss \$	Loss Ratio %
Winter Wheat	1,828	2,123	2,706	2,394	2,824	2,922	2,963	6,444,250.77	3,770,612.59	2,673,638.18	58.5
Spring Grain	4,467	4,892	4,889	4,940	4,880	4,526	4,263	9,952,702.72	10,907,149.07	(954,446.35)	109.6
Soybeans	1,244	1,209	1,696	2,105	2,584	2,517	2,830	8,143,475.92	8,143,475.92	351,024.92	95.9
White Beans	1,456	1,592	1,694	1,776	1,186	1,293	1,561	8,591,785.14	15,034,554.50	(6,442,769.36)	175.0
Potatoes	41	47	55	54	53			630,979.58	668,175.66	(37,196.08)	105.9
Tomatoes	1,022	1,017	1,053	1,099	1,021	986	956	8,723,083.19	7,535,588.86	1,187,494.33	86.4
Apples	292	296	323	352	348	341	338	4,830,540.35	5,608,217.53	(777,677.18)	116.1
Sweet Corn	652	464	411	438	452	452	446	2,632,581.55	2,756,310.03	(123,728.48)	104.7
Green Peas	673	480	443	471	483	447	428	2,605,375.47	2,882,906.43	(277,530.96)	110.7
Bare Ground (INCLUDED IN PLANS)								31,874.64	88,193.50	(56,318.86)	276.7
Seed Onions	20	18	26	24	24	24	48	253,261.60	262,503.56	(9,241.96)	103.7
Red Beets	24	23	21	18	15	10	7	64,189.62	20,222.68	43,966.94	31.5
Corn	5,685	6,176	6,340	6,216	6,519	6,290	6,409	35,687,620.50	29,944,675.34	5,742,945.16	83.9
Peaches	109	116	149	140	125	54	46	917,142.32	1,815,534.29	(898,391.97)	198.0
Grapes	154	140	170	177	182	193	194	1,962,584.46	1,483,608.95	478,975.51	75.6
Coloured Beans	126	145	136	194	168	294	395	1,691,290.28	1,782,223.92	(90,933.64)	105.4
Flue Cured Tobacco	1,880	1,643	1,890	2,181	2,158	2,842	2,762	38,701,811.74	59,931,630.34	(21,229,818.60)	154.9
Extended Coverage (INCLUDED IN PLANS)								143,223.24	449,124.20	(305,900.96)	313.6
Hay	77	69	34					84,379.62	116,706.93	(32,327.31)	138.3
New Forage Seeding	2,162	2,382	2,349	2,590	2,704	2,280	2,059	1,008,695.22	965,651.83	43,043.39	95.7
Pears	83	86	120	115	111	105	104	332,430.92	447,362.07	(114,931.15)	134.6
Sweet Cherries	34	39	75	60	64	57	56	268,405.64	485,224.64	(216,819.00)	180.8
Sour Cherries	59	53	79	81	83	83	85	524,822.34	1,109,914.54	(585,092.20)	211.5
Set Onions	12	17	16	17	17	13	16	60,336.50	70,767.25	(10,430.75)	117.3
Burley Tobacco	170	202	208	165	161	169	166	285,792.68	268,886.33	16,906.35	94.1
Seed Corn	369	289	316	320	352	327	427	3,112,314.42	2,656,659.41	455,655.01	85.4
Green, Wax Beans	57	53	66	78	83	89	86	411,162.80	764,558.78	(353,395.98)	186.0
Lima Beans	44	53	47	51	49	30	31	252,088.80	357,156.97	(105,068.17)	141.7
Flax		54	149	104	56			147,447.80	547,761.19	(400,313.39)	371.5
Hay and Pasture		1,288	1,979	1,889	1,609	1,525		4,161,355.44	5,496,486.91	(1,335,131.47)	132.1
Plums		35	40	42	43	42		70,376.60	99,242.50	(28,865.90)	141.0
Black Tobacco		77	53	45	52	40		116,037.82	77,390.20	38,647.62	66.7
Peppers		34	31	37	34	61		118,089.74	87,328.94	30,760.80	74.0

Cabbage, Cauliflower and Carrots	15	27	2	18,019.54	1,176.08	16,843.46	6.5				
Strawberries, Corn and Tomatoes	9	16	8	22,416.30	13,774.46	8,641.84	61.5				
Cucumbers, Pumpkins and Squash	88	60	30	68,732.56	4,582.58	64,149.98	6.7				
Late Potatoes			29	100,576.00	20,880.00	79,696.00	20.8				
Cauliflower			12	13,680.80	44,659.00	(30,978.20)	326.4				
Spanish Onions			9	25,706.00	125,677.00	(99,971.00)	488.9				
Early Potatoes			5	14,190.40	5,760.00	8,430.40	40.6				
Popping Corn			44	68,613.00	252,217.04	(183,604.04)	367.6				
Sweet Corn (Fresh)			11	3,767.20	3,100.00	667.20	82.3				
Tomatoes (Fresh)			9	8,103.86	3,434.56	4,669.30	42.4				
Cucumbers			69	33,108.60	37,700.90	(4,592.30)	113.9				
Procs Carrots			3	6,977.60	—	6,977.60	—				
Marsh Carrots			20	61,079.60	98,625.00	(37,545.40)	161.5				
Cabbage			14	5,542.84	3,330.21	2,212.63	60.1				
Pumpkin and Squash			7	1,089.70	—	1,0489.70	—				
Rutabagas			19	90,400.00	123,590.00	(33,190.00)	136.7				
Strawberries			4	4,951.70	5,633.33	(681.63)	113.8				
TOTALS	22,740	23,658	26,895	28,375	28,818	28,102	28,599	143,859,490.05	167,379,946.02	(23,520,455.97)	116.4
669.70 - 2.976	70.71 - 4.189	71.72 - 4.961	72.73 - 8.246	74.75 - 18.555							